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REPORT OF THE SECRETARY-GENERAL ON THE UNITED NATIONS OPERATION IN CYPRUS

1. The present report is submitted pursuant to paragraph 3 of resolution 796 (1992) of 14 December 1992, in which the Security Council welcomed my intention as expressed in paragraph 46 of my report to the Security Council of 1 December 1992 (S/24917 and Add.1) to pursue my consultations with the troop-contributing Governments about a restructuring of the United Nations Peace-keeping Force in Cyprus (UNFICYP) and to report on this to the Council as soon as possible.

2. As indicated in paragraph 6 of my report of 23 September 1992 (S/24581), the size of UNFICYP has been significantly reduced because of the withdrawal of the Danish battalion (323 personnel) in December 1992 and the reductions that other troop-contributing countries have made in recent months in the size of their contingents (198 personnel from the United Kingdom, including the whole of the Force scout car squadron, 63 from Austria and 61 from Canada). The result of these reductions is that the established strength of UNFICYP (military personnel and civilian police) has been reduced from 2,141 in May 1992 to 1,513 in March 1993.

3. These reductions necessitated a major restructuring and reorganization of the Force. The required operational and organizational adjustments were in place at the commencement of the current mandate period on 16 December 1992. As described in my report of 1 December 1992 (S/24917) and on the accompanying map, the number of sectors was reduced from four to three and the number of line companies from eight to six. The three sectors are now covered by battalions provided by Austria, Canada and the United Kingdom, with each battalion comprising two line companies together with headquarters and first line support.

4. The United Kingdom's battalion has retained responsibility for most of its former area, while also assuming responsibility for the sector formerly controlled by the Danish contingent. As a result, the reduced United Kingdom battalion now exercises responsibility in an area extending from the Kokkina enclave in the far west to the United Nations protected area (UNPA) on the western edge of Nicosia. The Canadian battalion has expanded its sector (Sector Three) to the west and now covers the area from the UNPA to Athienou, including the entire portion of the buffer zone that runs through the centre of Nicosia. Sector Four, the responsibility of the Austrian battalion, continues to extend from the eastern boundary of Sector Three near Athienou eastward to the sea.

The reduction in the number of line troops necessitated a decrease in the number of permanently occupied observation posts from 51 to 42. The crucial reserve functions, as well as the reconnaissance, patrolling, and crowd control capabilities of the Ferret Scout Car Squadron are no longer available to the Force. The Force reserve has been reduced to only four reinforcement platoons.

5. As I stressed in my report of 1 December 1992 (S/24917), the successive reductions in the strength of the Force, culminating in those described above, have brought UNFICYP to a point where the viability of the present operation is in doubt.

6. Since then, the Government of Canada has announced its intention to withdraw its contingent from UNFICYP between mid-June and September of 1993. The United Kingdom has also announced its intention to reduce its support regiment by 145 personnel, thus reducing the support resources and infrastructure that have sustained UNFICYP for many years. The United Kingdom will no longer provide UNFICYP with military police, mess staff, medical and dental care, the existing vehicle maintenance workshop or the transport squadron.

7. These additional reductions will bring the Force's strength down from 1,513 to approximately 850 personnel. Unless this situation is redressed, UNFICYP will cease to be viable in June 1993.

8. Because the continued presence of UNFICYP is indispensable to the maintenance of peace in Cyprus, I have carefully reviewed the possible options for the Force's future. As part of this process and in the light of resolution 796 (1992), on 26 February the Under-Secretary-General for Peace-keeping Operations, Mr. Kofi Annan, on my behalf resumed consultations with the eight troop-contributing Governments (Australia, Austria, Canada, Denmark, Finland, Ireland, Sweden and the United Kingdom of Great Britain and Northern Ireland). He was assisted by the Force Commander, Major-General Michael Minehane.

9. The Force Commander briefed the representatives of contributing Governments on the operational situation subsequent to the reductions described in paragraph 6 above. Contributing countries were also briefed on the current status of the talks on the set of ideas, which will resume in the near future, and on the implementation of confidence-building measures (see my report of 19 November 1992 (S/24830)). All the troop contributors assured my representatives of their continuing support for my good offices mission in Cyprus.

10. All the contributing countries agreed that the Force would no longer be capable of fulfilling its present mandate after the forthcoming withdrawal of the Canadian contingent. They accordingly stressed the urgency of taking remedial action, including changing its financing to assessed contributions.

11. The consultations with the troop contributors focused on two alternative proposals for restructuring UNFICYP. One would entrust the Force's mandate to military observers, who would be backed up by a small infantry element. The other would restructure the Force and reduce it to the minimum number of infantry battalions required to maintain effective control of the buffer zone.

12. Under the first proposal, a minimum of 200 United Nations military observers would maintain a high profile role, patrolling the buffer zone and providing random manning of observation posts. They would also undertake local liaison functions between the parties and would continuously monitor the buffer zone in central Nicosia. In order to ensure a minimum capacity to respond effectively to incidents in the buffer zone, they would be supported by three or four infantry companies, which would occupy permanently a greatly reduced number of observation posts, would undertake some patrolling and would provide a reserve in the event of violations of the buffer zone or other incidents. But there would no longer be 24-hour surveillance of the length of the buffer zone.

13. It was recognized that military observers would require timely payment of their local living costs. This could not be assured through continued reliance on voluntary contributions. Therefore, the restructured force would have to be financed through the normal system of peace-keeping assessment. In this manner, the enormous financial responsibility carried for so many years by a very limited and dwindling number of countries would be lifted and shared by the entire membership of the organization.

14. It was understood that if this proposal were implemented, the basis for the calculation of daily subsistence allowances for military observers in Cyprus would need to be carefully examined, particularly in the light of the substantial amount of existing infrastructure in Cyprus that could be used to accommodate observers. It was further suggested that every effort should be made to find ways to economize on this expense in the event that military observers were deployed in Cyprus.

15. Most of the troop contributors expressed a preference for this proposal. Several troop contributors expressed the view that a political stalemate had develcped in Cyprus and that UNFICYP in its present form was not contributing to progress in resolving the underlying political issues. They believed that pressure needed to be put on both sides in Cyprus to change their behaviour and oblige them to deal directly with minor violations of the cease-fire. Replacing the existing operation with an observer mission in Cyprus would, they believed, send a political message to the parties. Other troop contributors agreed with the Secretariat that reducing UNFICYP any further could give rise to uncertainty and possible instability. They considered that the Force had been reduced to the minimum level that could be considered an acceptable risk.

16. My representatives expressed support for the second proposal, retaining a Force made up of formed infantry units. They reiterated that, as stated in my report of 23 September 1992 (S/24581), the normal practice when establishing a United Nations peace-keeping operation is to define the operation's mandate and then determine the resources required to implement it. The mandate should determine the resources, not vice versa. In the case of UNFICYP, the mandate had not undergone any change and, in the absence of any appreciable evolution in the situation on the island, the main functions of the Force remained:

(a) Maintenance of the military status quo and prevention of a recurrence of fighting;

(b) Humanitarian and economic activities to promote a return to normal conditions.

17. My representatives further pointed out that conditions prevailing in Cyprus at the time of a thorough review of the Force's mandate and strength in November 1990 (S/21982) had not changed and the conclusions of that review remained operationally valid. The Force's mandate and the kinds of resources required to carry it out had not been altered. The requirements for an unarmed observer mission had not been met. As the November 1990 report states, there is no agreement between the two sides about the delineation of the cease-fire lines or about what is permitted under the cease-fire, the cease-fire lines are still extremely close in some areas, UNFICYP does not have complete freedom of movement on both sides of the cease-fire lines and because of the intense distrust between the two sides, economic activity in the buffer zone (3 per cent of Cyprus) still has to be carefully controlled by UNFICYP to ensure that it does not lead to incidents. Military observers were used successfully in the United Nations Iran-Iraq Military Observer Group (UNIIMOG) and are at present performing effectively in several missions, including the United Nations Iraq-Kuwait Observation Mission (UNIKOM) as well as in the role played by observers in the United Nations Disengagement Observer Force (UNDOF). While these missions have sometimes been considered as possible models for a future observation mission in Cyprus, military observers would not, under the conditions currently prevailing in Cyprus, be able to carry out the mandate of UNFICYP effectively (see S/21982, paras. 55-59).

18. My representatives expressed my conviction that the current political and military situation in Cyprus and in the region does not yet justify UNFICYP being converted to an observer mission. Under its present mandate, which remains valid, the minimum strength of the Force cannot be brought below six companies on the cease-fire line if it is to remain able to fulfil its primary function of controlling the buffer zone. These companies would need to be provided by three battalions of at least 350 personnel each in order to retain the international personality of the Force and the necessary flexibility. The battalions should be drawn from existing or new troop contributors under the same financing arrangement as other peace-keeping operations, i.e., reimbursement of troop costs at the rates approved by the General Assembly from a Special Account which would be funded through assessed contributions.

19. The civilian police element of the Force should remain at their present strength and could take on some of the humanitarian tasks currently being carried out by the military. In addition, it was proposed that under this option UNFICYP headquarters staffing be reduced from 56 to 37 military posts to reflect reductions in the size of the Force in recent years.

20. As indicated above, in December 1992 the Force scout cars, which had been a feature of the Force since its inception, were withdrawn. Since then, some of the functions they performed have been carried out by a small number of Canadian armoured personnel carriers, but these will also be withdrawn in June 1993. I believe the Force Commander is correct in his assessment that UNFICYP needs the capability in situations of tension to show force when required and to be able to use an armoured reserve for reconnaissance, crowd control or rescue. An armoured unit similar to the scout car capability, but somewhat reduced in size, should be reinstated whichever option is chosen.

21. With regard to logistical support, as mentioned above, the United Kingdom has announced its intention to withdraw the majority of the existing support

structure and resources that it has generously provided to the Force. Alternative logistic support arrangements will need to be introduced in a phased manner during the next mandate period. Under both options some of the support required could be arranged through civilian contracting or, alternatively, could be contributed by a formed military supply and maintenance unit to provide second and third line support.

22. The cost of the first option (200 military observers plus four infantry companies and armoured rapid reaction elements) has been estimated and found to be marginally more expensive than continuing to deploy three small infantry battalions to control the buffer zone. Cost estimates for the two proposals may be found in the annex to the present report. Neither would be viable unless the basis for financing the Force was changed from voluntary to assessed contributions.

Observations

23. For several years my predecessor and I have predicted that unless the Security Council took the decision to convert the financing of UNFICYP to the system which has been standard for all peace-keeping operations established since 1973, the financial burden which contributing countries were being asked to bear would eventually lead to the collapse of the Force. Given the difficulties that have been encountered in making progress towards a negotiated settlement of the Cyprus problem, it is remarkable that those countries have endured for so long such an unfair system for financing the Force. Their readiness to do so should win them the deep gratitude not only of the parties in Cyprus but also of the membership as a whole. It is the patience and generosity of those countries which have until now made it possible to maintain a vitally important United Nations peace-keeping force at no cost to the great majority of the Members of the Organization. No one should blame them for finding it necessary now to lay down the burden which they have carried for so long.

24. The fact remains, however, that UNFICYP is a vitally important peace-keeping force and its current dissolution should be a matter of grave concern to the members of the Security Council, as it is to me. It is the unanimous view of my advisers, both military and civilian, that if UNFICYP lost its capacity to maintain control of the buffer zone, there would be a real danger that, without any of the parties wishing it, small incidents could rapidly escalate and threaten the cease-fire on which depends not only the security of the people of Cyprus but also the maintenance of an atmosphere conducive to success in the political negotiations.

25. For the reasons I have explained above, I believe it is important that UNFICYP retain six infantry companies on the line if it is to have the capacity to carry out its mandate. But the real question which confronts the Security Council is not whether UNFICYP's mandate can better be carried out by infantry or by a mixture of infantry and military observers. (It is not seriously argued that at the present time military observers alone could do the task.) As is shown by the table annexed to the present report, the two options are more or less comparable in cost. The point is that neither will be practicable unless the Security Council can accept funding of the Force by assessed contributions. The question before the Council is thus whether to take this decision or to

allow UNFICYP to dissolve into a token presence consisting of a few military observers.

26. The additional costs to Member States that would result from the conversion to assessed funding have seemed substantial in the past. But at this time of rapid expansion of the Organization's peace-keeping activities, they are almost marginal (a mere 1.7 per cent) by comparison with total peace-keeping expenditure, which is currently running, on an annualized basis, at about $2.8 billion per year, a figure which could more than double when UNOSOM II and a greatly enlarged operation in Bosnia and Herzegovina are deployed.

27. UNFICYP has proved its ability to keep the peace on a very sensitive front line in Cyprus. My own efforts, with the full support of the Security Council, to help the parties reach a freely negotiated settlement of their differences through the establishment of a bi-communal, bi-zonal federation have made important progress but remain at a delicate stage. I therefore strongly recommend that the Council decide urgently to convert UNFICYP to assessed funding, in order to give me the necessary time to find Member States willing to contribute the new contingents which are required to replace those who have left or are about to leave.

Annex

Twelve-month cost estimates of the two options for restructuring of the United Nations Force in Cyprus

(Thousands of United States dollars)

	Formed infantry unit option	Military observer rapid reaction option
1. Military personnel		
(a) Contingent personnel	22 910	16 810
(b) Other costs pertaining to contingents	3 390	2 750
2. Military observers	-	6 600
3. Civilian police	1 270	1 270
4. Civilian staff costs, including travel	11 200 a/	11 860 b/
5. Premises, rental and maintenance	1 840	1 780
6. Air operations	830	830
7. Vehicle operations	2 230	2 300
8. Communications and other equipment	360	360
9. Miscellaneous supplies, services	3 100	2 840
Total (gross)	47 130	47 400

a/ Provides for 38 international staff and 414 locally recruited staff.

b/ Provides for 44 international staff and 414 locally recruited staff.